

Senate Bill No. 18

CHAPTER 4

An act to amend Sections 69995, 69997, and 69998 of, to amend, repeal, and add Section 41335 of, to add Sections 14041.5, 33128.1, 33128.2, and 41339.1 to, to add and repeal Section 60423 of, and to repeal and add Section 41330 of, the Education Code, to add Items 6110-301-0660 and 6110-497 to Section 2.00 of, and to add Section 12.65 to, Chapter 379 of the Statutes of 2002, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 18, 2003. Filed with
Secretary of State March 18, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 18, Chesbro. Education finance.

(1) Existing law requires the State Board of Education to adopt standards and criteria to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget. Existing law requires those standards and criteria to include comparisons and reviews of reserves and fund balances.

This bill would, notwithstanding any law, authorize a local educational agency to count any amount of state funding deferred from the current fiscal year and appropriated from a subsequent fiscal year for payment of current year costs as a receivable in the current year. The bill would, notwithstanding any law and for the 2002–03 fiscal year only, authorize a local educational agency to use for purposes determined by its governing body up to 50% of its reserves for economic uncertainties and up to 50% of the balances, as of July 1, 2002, of restricted accounts in its General Fund, excluding restricted reserves committed for capital outlay, bond funds, sinking funds, and federal funds. The bill would state the intent of the Legislature that local educational agencies use this flexibility for certain purposes and make every effort to maintain a prudent expenditure plan that ensures solvency for the 2002–03 fiscal year and in subsequent fiscal years.

(2) Existing law requires the Superintendent of Public Instruction to make the second principal apportionment on or before June 25th of each year.

This bill would instead require this apportionment to be made on or before July 2. The bill would make conforming and technical changes in this regard.

(3) Existing law requires a local governing board of a school district that receives funding pursuant to the Instructional Materials Funding Realignment Program to provide a pupil with standards-aligned instructional materials, as adopted by the State Board of Education, pursuant to a specified provision, subsequent to the adoption of content standards for kindergarten and grades 1 to 8, inclusive.

This bill would provide that for the 2002–03 and 2003–04 fiscal years only, that requirement may be satisfied if the governing board of a school district provides a pupil with standards-aligned instructional materials that were adopted by the State Board of Education pursuant to a repealed provision of the Education Code.

(4) Existing law establishes the Governor’s Scholars Program under which a pupil may receive a scholarship for attaining a high score, as specified, on the reading and mathematics portions of the statewide achievement test. Existing law also establishes the Governor’s Distinguished Mathematics and Science Scholars Program under which a pupil may receive a scholarship for demonstrating specified high academic achievement in mathematics and science. The Scholarshare Investment Board administers both programs and is required to deposit the awards earned by pupils into a specified account within the Golden State Scholarshare Trust.

This bill would change the manner in which those awards would be required to be deposited into the account.

(5) The Budget Act of 2001 appropriated \$2,124,000 to the State Department of Education for capital outlay for the California School for the Deaf.

This bill would revert those funds to the General Fund and, instead, would appropriate \$2,144,000 in the Budget Act of 2002 from the Public Buildings Construction Fund to the State Department of Education for capital outlay for that school.

(6) Existing law states the intent of the Legislature that education programs with voluntary participation be funded at statutorily authorized levels and requires the Controller, upon approval of the Director of Finance to transfer unobligated funds between specified voluntary participation programs to the extent needed to fully fund eligible participation and gives first priority for the allocation of savings to the CalSAFE program.

This bill would, notwithstanding the above, require the Controller, upon request of the Superintendent of Public Instruction and approval of the Director of Finance, to transfer unencumbered funds between any



of specified remedial supplemental instruction programs for the purpose of ensuring that supplemental instruction and remedial programs are funded at statutorily authorized levels. By authorizing this transfer, the bill would make an appropriation.

(7) Existing law requires the State Allocation Board to apportion funds from the State School Deferred Maintenance Fund to school districts based on a local one-to-one match up to a maximum amount based in part on the district's total expenditures and certain ending fund balances, excluding amounts expended for capital outlay or debt service.

This bill would waive the local match requirement for the 2002–03 fiscal year.

(8) Existing law appropriates \$145,775,000 from the General Fund for transfer to the Instructional Materials Fund for one-time instructional materials grants to school districts.

This bill would require schools receiving these grants to give first priority to the purchase of standards-aligned English language arts reading materials for English learners and standards-aligned reading intervention materials for pupils in grades 4 to 8, inclusive.

(9) Existing law, the Budget Act of 2002, makes various appropriations for purposes of the public education.

This bill reverts specified appropriations made in that Budget Act to the General Fund, thereby reducing those appropriations.

(10) Existing law, including the Budget Acts of 2000 and 2001, makes various appropriations for purposes of public education.

This bill would revert specified appropriations to the Proposition 98 Reversion Account in the General Fund.

(11) This bill would reappropriate \$491,926,000 from the Proposition 98 Reversion Account in the General Fund, \$356,810,000 of which would be for purposes of regional occupational centers and programs and \$135,116,000 of which would be for adult education. These funds would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

This bill would fund CalWORKs Stage 3 child care by reappropriating specified federal funds, appropriating other specified federal funds, and requiring the use of specified federal funds appropriated for another purpose.

(12) Existing law establishes the various segments of the public higher education system in the state. These segments include the University of California, which is administered by the Regents of the University of California, the California State University, which is administered by the Trustees of the California State University, and the

California Community Colleges, which is administered by the Board of Governors of the California Community Colleges.

The Budget Act of 2002 makes numerous appropriations for the support of the various components of the public higher education system in the state.

This bill would reduce a variety of higher education appropriations that were made in the Budget Act of 2002, and would revert the amounts of these reductions to the General Fund. The bill would also make various related mechanical and conforming changes, including the appropriation of funds for community college apportionments in the 2003–04 fiscal year to replace funds previously appropriated for the 2002–03 fiscal year that are reverted by this bill.

This bill would require that the appropriation be included in the amounts appropriated by the state in the 2003–04 fiscal year for purposes of meeting the state’s minimum funding obligation to school districts and community college districts under Section 8 of Article XVI of the California Constitution for that fiscal year.

(13) This bill would appropriate \$370,263,000 from the General Fund to the State Department of Education for the 2003–04 fiscal year in accordance with a specified schedule. This appropriation would be applied toward the 2003–04 fiscal year minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(14) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges, and establishes community college districts that provide instruction at campuses throughout the state. Under existing law, community college districts receive part of their operating revenues from property tax receipts. The existing Partnership for Excellence Program is established under the administration of the Board of Governors of the California Community Colleges for the purpose of achieving annual performance goals and improving student learning and success. The Budget Act of 2002 appropriated \$300,000,000 from the General Fund for allocation by the board of governors for the Partnership for Excellence Program.

This bill would require the Director of Finance, in consultation with the Chancellor of the California Community Colleges, to determine, not later than May 15, 2003, the amount of the property tax shortfall, as defined, for the California Community Colleges for the 2002–03 fiscal year. If the amount of the property tax shortfall, as determined pursuant to the bill, is less than \$38,000,000, the bill would authorize the Director of Finance to reduce the amount appropriated for the Partnership for Excellence Program in the Budget Act of 2002 by an amount not to



exceed the difference between \$38,000,000 and the amount of the property tax shortfall determined pursuant to the bill.

(15) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 14041.5 is added to the Education Code, to read:

14041.5. (a) Notwithstanding subdivision (a) of Section 14041, commencing with the 2002–03 fiscal year, warrants for the principal apportionments for the month of June instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41335.

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants drawn pursuant to subdivision (a) shall be deemed to be “General Fund revenues appropriated to school districts,” as defined in subdivision (c) of Section 41202 for the fiscal year in which the warrants are drawn and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

SEC. 2. Section 33128.1 is added to the Education Code, to read:

33128.1. Notwithstanding any other law, a local educational agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

SEC. 3. Section 33128.2 is added to the Education Code, to read:

33128.2. (a) Notwithstanding the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128 or any other law, for the 2002–03 fiscal year only, a local educational agency may use for purposes determined by its governing body up to 50 percent of its reserves for economic uncertainties and up to 50 percent of the balances, as of July 1, 2002, of restricted accounts in its General Fund, excluding restricted reserves committed for capital outlay, bond funds, sinking funds, and federal funds, in order to provide local budgeting flexibility as a result of midyear budget reductions for the 2002–03 fiscal year that are enacted by the Legislature after January 2003.

(b) A local educational agency may not, pursuant to paragraph (a), use the combined budgetary reserves in excess of its total midyear budget reductions for the 2002–03 fiscal year.

(c) It is the intent of the Legislature that a local educational agency use the flexibility provided in subdivision (a) to the extent midyear budget reductions for the 2002–03 fiscal year occur in the following programs:

(1) The Peer Assistance and Review Program.

(2) Supplemental instruction and remedial programs.

(3) One-time funding for the Instructional Materials Funding Realignment Program.

(d) It is further the intent of the Legislature that a local educational agency make every effort to maintain a prudent expenditure plan that ensures its solvency for the 2002–03 fiscal year and in subsequent fiscal years.

SEC. 4. Section 41330 of the Education Code is repealed.

SEC. 5. Section 41330 is added to the Education Code, to read:

41330. Commencing with the 2003–04 fiscal year, for the purposes of allocating the advance apportionment for the current fiscal year, the Superintendent of Public Instruction shall on or before July 20th of each year certify to the Controller the amounts estimated to be apportioned to each effective school district for the current fiscal year on the basis of the report of the districts for the second principal apportionment of the preceding fiscal year, the amounts estimated to be apportioned to each county school tuition fund and to each county school service fund for schools and classes to be maintained by the county superintendent of schools during the current fiscal year on the basis of reports provided by the county superintendent of schools, and the amounts estimated by the Superintendent of Public Instruction to be apportioned to the county school service fund during the current fiscal year under subdivisions (a) and (b) of Section 14054.

SEC. 6. Section 41335 of the Education Code is amended to read:

41335. (a) The Superintendent of Public Instruction shall on or before June 25th of each year apportion to each elementary school district, high school district, county school service fund, and county school tuition fund the total amounts allowed to each respective district or fund under Sections 14054, 14057, 14058, 41790, 41800, 41810, 41811, 41840, 41841, 41863, 41866, 41882, 41884, 41885, 41886, 41888, 41950, 41970, 41971, 42004, 42005, 42054, 42055, 42056, and 52205, whichever are in effect. This apportionment shall be called the second principal apportionment.

(b) This section shall become inoperative on June 1, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute that is enacted

before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 41335 is added to the Education Code, to read:

41335. (a) The Superintendent of Public Instruction shall on or before July 2 of each year apportion to each elementary school district, high school district, county school service fund, and county school tuition fund the total amounts allowed to each respective district or fund, as would have been apportioned on June 25 of the fiscal year of the apportionment pursuant to Section 41335 as it read on May 30, 2003, under Sections 14054, 14057, 14058, 41790, 41800, 41810, 41811, 41840, 41841, 41863, 41866, 41882, 41884, 41885, 41886, 41888, 41950, 41970, 41971, 42004, 42005, 42054, 42055, 42056, and 52205, whichever are in effect. This apportionment shall be called the second principal apportionment.

(b) This section shall become operative on June 1, 2003.

SEC. 8. Section 41339.1 is added to the Education Code, to read:

41339.1. Notwithstanding subdivision (b) of Section 41339, 10 working days prior to the dates prescribed in Section 41330 and Section 41335, as Section 41335 reads on and after June 1, 2003, the Superintendent of Public Instruction shall notify the Joint Legislative Budget Committee and the Department of Finance of the average daily attendance numbers and the local property tax revenues to be utilized in the respective certification.

SEC. 9. Section 60423 is added to the Education Code, to read:

60423. (a) Notwithstanding Section 60422 or any other law, for the 2002–03 and 2003–04 fiscal years only, a requirement that the governing board of a school district provide a pupil with standards-aligned instructional materials, as adopted by the State Board of Education subsequent to the adoption of content standards pursuant to Section 60605 for kindergarten and grades 1 to 8, inclusive, may be satisfied if the governing board of a school district provides a pupil with standards-aligned instructional materials that were adopted by the State Board of Education pursuant to Chapter 481 of the Statutes of 1998.

(b) This section shall be in effect only until July 1, 2004, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 2004, deletes or extends that date.

SEC. 10. Section 69995 of the Education Code is amended to read:

69995. (a) It is the intent of the Legislature in enacting this article to encourage high school pupils to study hard and master the California academic content standards adopted by the State Board of Education and to excel in mathematics and the sciences.

(b) The Scholarshare Investment Board, known hereafter as “the board,” unless otherwise specified, shall administer the programs

authorized by this article, including the adoption of rules and regulations as provided by subdivision (d) of Section 69981, and in so doing shall cooperate with the State Department of Education, the Treasurer's office, the Controller, the college board, private test publishing companies, and other entities necessary to ensure the accurate and timely identification and reporting of award recipients, granting of awards, and administration of these programs. The State Department of Education shall ensure that the contract with the test publisher selected pursuant to Section 60642 reflects the reporting requirements of this article and that the publisher meets those requirements.

(c) The definitions in Section 69980 apply to this article.

(d) To be eligible for an award pursuant to the programs authorized by this article, a pupil shall meet all of the following eligibility criteria:

(1) The pupil took the achievement test authorized by Section 60640 in grade 9, 10, or 11.

(2) The pupil was enrolled at a California public school for at least 12 consecutive months immediately preceding, or was in attendance for at least 110 days of the school year in which the test is administered and at least 110 days of the school year immediately preceding, the administration of the achievement test specified in paragraph (1), as evidenced by his or her school records obtained pursuant to administration of the program authorized by this article.

(3) The pupil took both of the following:

(A) The nationally normed reading and mathematics portions of the achievement test, as specified by the State Board of Education and authorized by Section 60640.

(B) The English/language arts and mathematics portions of the achievement test authorized by Section 60640 that are augmented and aligned, pursuant to Section 60643, with the California academic content standards, unless otherwise exempted by action of the State Board of Education.

(e) Awards made pursuant to this article shall be an entitlement to pupils identified as qualifying for an award pursuant to this article. The State Department of Education shall annually provide the board with an estimate of the number of pupils with qualifying scores by October 15. Within 30 days of receipt of the estimate, the board shall deposit a single amount equal to the sum of the amounts of the awards earned by qualifying pupils, as specified in subdivision (f), into a single account separate and apart from all participant accounts within the Golden State Scholarshare Trust in the names of those pupils.

(f) (1) (A) For the 2003–04 fiscal year, only awards earned by pupils enrolled in the 12th grade during the 2003–04 academic year shall be deposited as described in subdivision (e). This paragraph applies to

awards for recipients who qualify for awards pursuant to this article if the awards were not deposited by the board before July 1, 2003.

(B) Notwithstanding subparagraph (A) or any other provision of law, for the 2003–04 fiscal year only, the transfer of funds for the purpose of making deposits as described in subdivision (e) may be delayed for one additional year or until the pupil is enrolled in an institution of higher education if authorized in legislation enacted during the 2003–04 Regular Session.

(2) For the 2004–05 fiscal year, only awards earned by pupils enrolled in the 12th grade during the 2004–05 academic year shall be deposited as described in subdivision (e). If a pupil also earned an award in a prior year, the board shall calculate an amount equal to the award earned, plus an amount equal to the interest that would have been earned had the recipient's award funds been annually deposited on October 15 of the recipient's junior year of high school enrollment. This paragraph applies only to awards earned by recipients who qualify for awards pursuant to this article if the awards were not deposited by the board before July 1, 2003.

(3) For the 2005–06 fiscal year, and each year thereafter, awards earned by pupils enrolled in the 12th grade during the 2005–06 academic year and each respective academic year shall be deposited as described in subdivision (e). If a pupil also earned an award in a prior year, the board shall calculate an amount equal to the award earned, plus an amount equal to the interest that would have been earned had the recipient's award funds been annually deposited on October 15 of the recipient's sophomore or junior years of high school enrollment, or both sophomore and junior years of high school enrollment. This paragraph applies only to recipients who qualify for awards pursuant to this article if the awards were not deposited by the board before July 1, 2003.

(g) Scholarship assets may not be commingled for investment purposes with participant accounts. Notwithstanding Section 69991, all assets of the scholarship account, while part of the Golden State Scholarshare Trust, are owned by the state until used to pay the qualified higher education expenses of the beneficiary.

(h) The entity contracted for the assessment authorized by Section 60640 shall annually, on or before January 15, provide the board a digital report that contains a final list of pupils identified as qualifying for an award pursuant to this article. To ensure that this digital report is accurate and is prepared on a timely basis, all corrections to and revisions of the data that are used to prepare the digital report shall be submitted to the State Department of Education on or before November 15 of the preceding year.

(i) Deposits made to the scholarship account shall be invested according to the guidelines established by the board pursuant to the requirements of state and federal law. The deposits shall be invested through a guaranteed funding agreement with an interest rate to be declared annually by the investment manager, or through another investment determined by the board to be equally or more secure. For purposes of this section, a guaranteed funding agreement is an approved investment vehicle for state-owned scholarship funds.

(j) This article does not prevent any pupil from seeking private or other funding sources to supplement the amount of any funds awarded pursuant to this article.

(k) Award recipients shall be informed that the programs authorized by this article do not guarantee in any way that higher education expenses will be equal to projections and estimates provided by the board, nor that the claimant will be guaranteed any of the following:

- (1) Admission to an institution of higher education.
- (2) If admitted, a determination that the award recipient is a resident for tuition purposes by the institution of higher education.
- (3) Continued attendance at the institution of higher education following admission.
- (4) Graduation from the institution of higher education.
- (5) Savings sufficient to fully cover all qualified education expenses of attending an institution of higher education.

(l) Notwithstanding any other provision of state law, any funds awarded pursuant to this article shall augment and not supplant student financial aid from other public sources, inclusive of calculating eligibility for student financial aid.

(m) Notwithstanding any other provision of law, the awards and earnings claimed by a recipient pursuant to this article shall be exempt from state income tax liability.

(n) To the extent allowed under federal law, any funds awarded pursuant to this article may not be considered in the federal needs analysis for student financial aid, as they are an asset of the state until used for the payment of qualified higher education expenses.

SEC. 11. Section 69997 of the Education Code is amended to read:

69997. (a) The Governor's Scholars Program is hereby established. This program shall provide a scholarship of one thousand dollars (\$1,000) to each public high school pupil who, on or after January 1, 2000, demonstrates high academic achievement on the achievement test authorized by Section 60640. Pupils receiving a scholarship pursuant to this section shall be known as "Governor's Scholars."

(b) Until the State Board of Education determines that the English language arts and mathematics portions of the statewide pupil

achievement test authorized by Section 60640 are aligned with the California academic content standards, and the standards aligned test is both valid and reliable for high stakes purposes, a pupil shall earn a scholarship pursuant to this section by satisfying either of the following criteria:

(1) Attaining a combined score on the reading and mathematics portions of the nationally normed achievement test adopted by the State Board of Education pursuant to Section 60642 that places him or her in the top 5 percent of test takers in his or her grade level statewide. A pupil attending any California public school, including those specified in subdivision (g) of Section 52052, is eligible to receive an award pursuant to this paragraph.

(2) Attaining a combined score on the nationally normed reading and mathematics portions of the achievement test adopted by the State Board of Education pursuant to Section 60642 that places him or her in the top 10 percent of test takers in his or her grade level in the comprehensive public high school attended by that pupil. When calculating the top 10 percent, the result shall be rounded to the nearest whole integer for the purpose of determining the number of awards in any high school. If this calculation results in a number of pupils less than one in any high school, there shall be one award at that school.

(c) Pupils earning an award pursuant to subdivision (b) may receive only one award in any given year. However, a pupil may earn a lifetime maximum of three awards by meeting the requirements of this section in each of grades 9, 10, and 11.

(d) Once the State Board of Education has determined that the English language arts and mathematics portions of the statewide pupil achievement test authorized by Section 60640 are aligned with the California academic content standards, and the standards aligned test is both valid and reliable for high stakes purposes, that test shall be used as the basis for the award of scholarships pursuant to subdivision (a).

(e) (1) For the purposes of this section, a “comprehensive high school” includes both of the following:

(A) The California Schools for the Deaf established pursuant to Chapter 1 (commencing with Section 59000) of Part 32.

(B) The California School for the Blind established pursuant to Chapter 2 (commencing with Section 59100) of Part 32.

(2) A pupil attending the California Schools for the Deaf or the California School for the Blind who met the criteria for an award pursuant to this section for tests taken in year 2000 shall receive an award for that year.

(f) Notwithstanding any other law, commencing with the 2003–04 fiscal year, funding for Governor’s Scholar awards shall only be

appropriated for qualifying recipients who are enrolled in the 12th grade, unless legislation enacted during the 2003-04 Regular Session specifies otherwise.

SEC. 12. Section 69998 of the Education Code is amended to read:

69998. (a) The Governor's Distinguished Mathematics and Science Scholars Program is hereby established. This program shall provide a scholarship of two thousand five hundred dollars (\$2,500) for public high school pupils who demonstrate specified high academic achievement in mathematics and the sciences. Pupils receiving a scholarship pursuant to this section shall be known as "Governor's Mathematics and Science Scholars."

(b) In addition to the criteria specified in subdivision (d) of Section 69995, a pupil shall satisfy the following to be eligible to receive a scholarship pursuant to this section:

(1) Earn an award pursuant to the program authorized by Section 69997.

(2) Take an advanced placement calculus examination offered by the college board.

(3) Take any one of the advanced placement biology, chemistry, or physics examinations offered by the college board.

(c) If the provisions of subdivision (d) apply, paragraphs (2) and (3) of subdivision (b) are effective only as specified in subdivision (d).

(d) (1) If the pupil's school offers an advanced placement course in a subject identified in subdivision (b), only the advanced placement examination in that subject is allowed for the purposes of determining eligibility for an award pursuant to this section. If a pupil's school does not offer an advanced placement course in a subject identified in subdivision (b), he or she may take instead the Golden State Examination, as authorized by Article 5 (commencing with Section 60650) of Chapter 5 of Part 33, in that subject in order to be eligible to receive a scholarship pursuant to this section. If there is a conflict between this subdivision and any other subdivision related to this program, this subdivision shall be controlling.

(2) For the science test, the Golden State Examination in second-year coordinated science may be used in place of any other Golden State Examination in science for the purposes of this subdivision.

(3) For the mathematics test, only the High School Mathematics Golden State Examination may be used for the purposes of this subdivision.

(e) Eligible pupils shall earn a scholarship pursuant to this section by satisfying all of the following requirements:

(1) Attaining a score of five, on the advanced placement calculus AB examination, or attaining a score of four or five on the higher-level advanced placement calculus BC examination.

(2) Attaining a score of five on any one of the advanced placement biology, chemistry, or physics B examinations, or attaining a score of four or five on both of the advanced placement physics C (mechanics or electricity and magnetism) examinations.

(3) If a pupil is eligible for an award pursuant to paragraph (4) of subdivision (b), he or she shall attain a score of six on the appropriate Golden State Examination, as described in subdivision (d).

(f) As an alternative to the examination requirements set forth in subdivisions (b), (c), (d), and (e), a pupil may be eligible to receive a scholarship pursuant to this section for performance in science and mathematics examinations that are part of the International Baccalaureate Program. The State Board of Education shall review and designate those International Baccalaureate examinations that are equivalent to the advanced placement tests or Golden State Examinations for which pupils may receive scholarships pursuant to this section. The State Board of Education shall also designate the score on International Baccalaureate examinations that is equivalent to the score required on advanced placement tests or Golden State Examinations in order to receive a scholarship.

(g) The State Board of Education may modify this list of examinations as necessary to reflect additions and deletions to the series of examinations offered by the college board for advanced placement courses. The State Board of Education may also determine the relative rigor of any new examinations added to the list and whether those examinations should require a score of four or five if the added examinations and qualifying scores reflect at least the same level of rigor as the advanced placement examinations specified in this section.

(h) Test scores earned before receiving an award pursuant to the program authorized by Section 69997 may be used to satisfy the requirements of subdivision (d), even if these scores are earned before January 1, 2000. A pupil may not claim an award pursuant to this section until the pupil has earned and successfully claimed an award pursuant to the program authorized by Section 69997.

(i) A pupil may receive a maximum of one award pursuant to the program established by this section.

(j) Notwithstanding any other law, commencing with the 2003–04 fiscal year, funding for the Governor’s scholar awards shall only be appropriated for qualifying recipients who are enrolled in the 12th grade, unless legislation enacted during the 2003-04 Regular Session specifies otherwise.

(k) Subdivisions (c) and (d) and paragraph (4) of subdivision (b), subdivision (c), and paragraph (3) of subdivision (e) shall become inoperative, and are repealed as of December 31, 2001.

SEC. 13. Item 6110-301-0660 is added to Section 2.00 of Chapter 379 of the Statutes of 2002, to read:

6110-301-0660—For capital outlay, Department of Education, payable from Public Buildings Construction	
Fund	\$2,144,000
Schedule:	
(1) 80.75.020—California School for the Deaf, Fremont: Pupil Personnel Services Building—Construction	
	\$2,144,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the acquisition, design, and construction of the projects authorized by this item.
2. The State Public Works Board and the State Department of Education may obtain interim financing for the project costs authorized by this item from any appropriate source, including, but not limited to, the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The State Public Works Board may authorize the augmentation of the cost of construction of the project scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
4. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements

or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.

5. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
6. In the event that the bonds authorized for projects in this item are not sold, the participating agency or department that has initiated loans shall commit a sufficient portion of its current support appropriation, as determined by the Department of Finance, to repay any interim financing. It is the intent of the Legislature that this commitment be made until all interim financing is repaid either through the proceeds of the sale of bonds or from an appropriation.

SEC. 14. Item 6110-497 is added to Section 2.00 of Chapter 379 of the Statutes of 2002, to read:

6110-497—Reversion, Department of Education. The sum of \$2,124,000 from Schedule (2) 80.75.020—California School for the Deaf, Fremont: Pupil Personnel Services—Construction, appropriated in Item 6110-301-0001, Budget Act of 2001 (Ch. 106, Stats. 2001), shall revert to the General Fund.

SEC. 15. Section 12.65 is added to Chapter 379 of the Statutes of 2002 to read:

Sec. 12.65. Notwithstanding Section 26.00, the Controller, upon request of the Superintendent of Public Instruction and approval of the Director of Finance, shall transfer unencumbered funds remaining from the appropriations made in Item 6110-104-0001 of Section 2.00 between any of the schedules of that item for the purpose of ensuring that supplemental instruction and remedial programs are funded at statutorily authorized levels. The Department of Finance shall notify the Joint Legislative Budget Committee of any transfers made under this section.

SEC. 16. Notwithstanding Section 17584 of the Education Code, for the 2002–03 fiscal year only, the amount required to be contributed by a local educational agency for participation in the State School Deferred Maintenance Program is waived.

SEC. 17. A school district that receives a One-Time Instructional Materials Grant of moneys appropriated in Schedule 2 of Item 6110-189-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) shall give first priority to the purchase of standards-aligned English language arts reading materials for English learners and standards-aligned reading intervention materials for pupils in grades 4 to 8, inclusive. The materials purchased shall be consistent with the January 2002 English language arts textbook adoption by the State Board of Education.

SEC. 18. Notwithstanding any other law, one hundred twenty-two thousand dollars (\$122,000) from the amount appropriated to the Office of Planning and Research for support of the Office of the Secretary for Education in Item 0650-011-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) shall revert to the General Fund.

SEC. 19. Notwithstanding any other law, six hundred eighteen thousand dollars (\$618,000) is reduced from the amount appropriated to the Office of Planning and Research for the Office of the Secretary for Education for the Academic Volunteer and Mentor Service Program in Item 0650-111-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 20. Notwithstanding any other law, two hundred sixteen thousand dollars (\$216,000) is reduced from the amount appropriated to the Office of Planning and Research for local assistance to the Office of the Secretary for Education for the School-to-Career Partnerships in Item 0650-114-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 21. Notwithstanding any other law, one million four hundred nine thousand dollars (\$1,409,000) is reduced from the amount appropriated to the State Department of Education for state operations general purposes in Item 6110-001-0001 of Section 2.00 of the Budget Act of 2002.

SEC. 22. Notwithstanding any other law, two hundred forty-five thousand dollars (\$245,000) is reduced from the amount appropriated to the State Department of Education for audit resources in Item 6110-013-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 23. Notwithstanding any other law, five million seven hundred thirty-eight thousand dollars (\$5,738,000) is reduced from the amount appropriated to the State Department of Education for school

apportionments for apprentice programs in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 24. Notwithstanding any other law, thirty million eight hundred ninety-three thousand dollars (\$30,893,000) is reduced from the amount appropriated to the State Department of Education for school apportionments for Supplemental Instruction in Schedule 1 of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 25. Notwithstanding any other law, three million nine hundred twenty-three thousand dollars (\$3,923,000) is reduced from the amount appropriated to the State Department of Education for school apportionments for Supplemental Instruction in Schedule 3 of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 26. Notwithstanding any other law, seventy-three million two hundred forty thousand dollars (\$73,240,000) is reduced from the amount appropriated to the State Department of Education for school apportionments for Supplemental Instruction in Schedule 4 of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 27. Notwithstanding any other law, three hundred fifty-six million eight hundred ten thousand dollars (\$356,810,000) is reduced from the amount appropriated to the State Department of Education for Regional Occupational Center and Programs in Item 6110-105-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 28. Notwithstanding any other law, three million two hundred thousand dollars (\$3,200,000) is reduced from the amount appropriated to the State Department of Education for home to school transportation and small school district transportation in Schedule 1 of Item 6110-111-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 29. Notwithstanding any other law, eight million eight hundred thousand dollars (\$8,800,000) is reduced from the amount appropriated to the State Department of Education for the Golden State Examinations in Schedule 1 of Item 6110-113-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 30. Notwithstanding any other law, eight hundred seventy-one thousand dollars (\$871,000) is reduced from the amount appropriated to the State Department of Education for career technical assessment in Schedule 2 of Item 6110-113-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 31. Notwithstanding any other law, thirty-eight million six hundred thousand dollars (\$38,600,000) is reduced from the amount



appropriated to the State Department of Education for the Intermediate Intervention/Underperforming Schools Program in Schedule 1 of Item 6110-123-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 32. Notwithstanding any other law, thirty-seven million four hundred thousand dollars (\$37,400,000) is reduced from the amount appropriated to the State Department of Education for the High Priority Schools Grant Program for Low Performing Schools in Schedule 3 of Item 6110-123-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 33. Notwithstanding any other law, three million nine hundred fifty-eight thousand dollars (\$3,958,000) is reduced from the amount appropriated to the State Department of Education for the Gifted and Talented Pupil Program in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 34. Notwithstanding any other law, one million five hundred seventy-six thousand dollars (\$1,576,000) is reduced from the amount appropriated to the State Department of Education for the California School Information Services in Schedule 1 of Item 6110-140-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 35. Notwithstanding any other law, five million dollars (\$5,000,000) is reduced from the amount appropriated to the State Department of Education for the principal training program in Item 6110-144-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 36. Notwithstanding any other law, eleven million six hundred thousand dollars (\$11,600,000) is reduced from the amount appropriated to the State Department of Education for library and learning resources by Item 6110-149-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 37. Notwithstanding any other law, one hundred seventy-six million forty-one thousand dollars (\$176,041,000) is reduced from the amount appropriated to the State Department of Education for adult education in Schedule 1 of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 38. Notwithstanding any other law, three million dollars (\$3,000,000) is reduced from the amount appropriated to the State Department of Education for educational services for adults in correctional facilities in Item 6110-158-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 39. Notwithstanding any other law, two hundred ten million two hundred seventy-one thousand dollars (\$210,271,000) is reduced from the amount appropriated to the State Department of Education for

special education instruction in Schedule 1 of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 40. Notwithstanding any other law, three million eight hundred thirty-two thousand dollars (\$3,832,000) is reduced from the amount appropriated to the State Department of Education for early education programs in Schedule 2 of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 41. Notwithstanding any other law, seven million twenty-two thousand dollars (\$7,022,000) is reduced from the amount appropriated to the State Department of Education for vocational education in Item 6110-165-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 42. Notwithstanding any other law, one million three hundred twenty-eight thousand dollars (\$1,328,000) is reduced from the amount appropriated to the State Department of Education for the Partnership Academies Program in Item 6110-166-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 43. Notwithstanding any other law, six million dollars (\$6,000,000) is reduced from the amount appropriated to the State Department of Education for the Local Arts Education Partnership Program in Item 6110-177-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 44. Notwithstanding any other law, one million three hundred thousand dollars (\$1,300,000) is reduced from the amount appropriated to the State Department of Education for education technology programs in Item 6110-181-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 45. Notwithstanding any other law, one hundred three million dollars (\$103,000,000) is reduced from the amount appropriated to the State Department of Education for Instructional Materials Block Grants in Schedule 2 of Item 6110-189-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 46. Notwithstanding any other law, fourteen million four hundred fifty-one thousand dollars (\$14,451,000) is reduced from the amount appropriated to the State Department of Education for community day schools in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 47. Notwithstanding any other law, twenty-one million seven hundred fifty-seven thousand dollars (\$21,757,000) is reduced from the amount appropriated to the State Department of Education for teacher peer review in Schedule 3 of Item 6110-193-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).



SEC. 48. Notwithstanding any other law, four million dollars (\$4,000,000) is reduced from the amount appropriated to the State Department of Education for preschool education in Schedule 1 of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 49. Notwithstanding any other law, eight million three hundred forty thousand dollars (\$8,340,000) is reduced from the amount appropriated to the State Department of Education for child development after school programs in Schedule 3 of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 50. Notwithstanding any other law, one million nine hundred forty-nine thousand dollars (\$1,949,000) is reduced from the amount appropriated to the State Department of Education for intersegmental programs in Item 6110-197-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 51. Notwithstanding any other law, three million six hundred twenty-one thousand dollars (\$3,621,000) is reduced from the amount appropriated to the State Department of Education for the 7th and 8th Grade Math Academies in Item 6110-204-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 52. Notwithstanding any other law, nine million seven hundred seventy-six thousand dollars (\$9,776,000) is reduced from the amount appropriated to the State Department of Education for reading programs in kindergarten and grades 1 to 4, inclusive, in Item 6110-205-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 53. Notwithstanding any other law, four million six hundred thirty-five thousand dollars (\$4,635,000) is reduced from the amount appropriated to the State Department of Education for charter school categorical programs in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 54. Notwithstanding any other law, ten million dollars (\$10,000,000) is reduced from the amount appropriated to the State Department of Education for the High-Risk Youth Education and Public Safety Program in Item 6110-212-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 55. Notwithstanding any other law, two hundred eighty thousand dollars (\$280,000) is reduced from the amount appropriated to the State Department of Education for school apportionments for Conflict Resolution grants in Schedule 2 of Item 6110-226-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).



SEC. 56. Notwithstanding any other law, three million dollars (\$3,000,000) is reduced from the amount appropriated to the State Department of Education for Safety Plans for New Schools in Schedule 5 of Item 6110-226-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 57. Notwithstanding any other law, five million dollars (\$5,000,000) is reduced from the amount appropriated to the State Department of Education for the College Preparation Partnership Program in Schedule 2 of Item 6110-240-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 58. Notwithstanding any other law, one million five hundred thousand dollars (\$1,500,000) is reduced from the amount appropriated to the State Department of Education for grants for Advanced Placement examination fees in Schedule 3 of Item 6110-240-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 59. Notwithstanding any other law, five million dollars (\$5,000,000) is reduced from the amount appropriated to the State Department of Education for the Academic Improvement and Achievement Act in Item 6110-243-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 60. Notwithstanding any other law, the amounts appropriated to the State Department of Education for reimbursement in Schedules 1, 4, 11 to 13, inclusive, 15 to 27, inclusive, 30 to 42, inclusive, and 44 of Item 6110-295-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) are each reduced to one thousand dollars (\$1,000).

SEC. 61. Notwithstanding any other law, one hundred twenty thousand dollars (\$120,000) is reduced from the amount appropriated to the State Department of Education for reimbursement in Schedule 28 of Item 6110-295-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 62. Notwithstanding any other law, one million dollars (\$1,000,000) is reduced from the amount appropriated to the State Department of Education for allocation to local education agencies to provide training and staff development to classified school employees in Schedule 1 of Item 6110-485 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 63. Notwithstanding any other law, one million fifty-nine thousand dollars (\$1,059,000) from the amount appropriated for support of the California State Library in Schedule 1 of Item 6120-011-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) shall revert to the General Fund.

SEC. 64. Notwithstanding any other law, thirty thousand dollars (\$30,000) is reduced from the amount appropriated for support of the

California State Summer School for the Arts in Item 6255-001-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 65. Notwithstanding any other law, fifty-one thousand dollars (\$51,000) from the amount appropriated to the Commission on Teacher Credentialing for administrative costs in Item 6360-001-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) shall revert to the General Fund.

SEC. 66. Notwithstanding any other law, eight million three hundred twenty thousand dollars (\$8,320,000) is reduced from the amount appropriated to the Commission on Teacher Credentialing for the Alternative Certification Program in Schedule 1 of Item 6360-101-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 67. Notwithstanding any other law, two hundred seventy-eight thousand dollars (\$278,000) is reduced from the amount appropriated to the Commission on Teacher Credentialing for the California School Paraprofessional Teacher Training Program in Schedule 2 of Item 6360-101-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 68. Notwithstanding any other law, one hundred thousand dollars (\$100,000) is reduced from the amount appropriated to the Commission on Teacher Credentialing for the California Mathematics Initiative for Teaching in Schedule 5 of Item 6360-101-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 69. The following amounts shall revert to the Proposition 98 Reversion Account in the General Fund:

(a) The sum of ninety-seven thousand dollars (\$97,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-108-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(b) The sum of two hundred ten thousand dollars (\$210,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-120-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(c) The sum of one million two hundred nineteen thousand dollars (\$1,219,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-127-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(d) The sum of six thousand dollars (\$6,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date

of this section, of the amount appropriated in Item 6110-149-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(e) The sum of two million eight hundred thousand dollars (\$2,800,000) or the greater or lesser amount that reflects the unencumbered balance as of the effective date of this section, of the amount appropriated in Item 6110-158-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(f) The sum of one million dollars (\$1,000,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-166-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(g) The sum of twenty-five million dollars (\$25,000,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Schedule 1 of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(h) The sum of twenty-five million dollars (\$25,000,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Schedule 4 of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(i) The sum of twenty-three thousand dollars (\$23,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-181-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(j) The sum of three million seven hundred ninety-eight thousand dollars (\$3,798,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-486 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(k) The sum of three hundred ninety-two thousand dollars (\$392,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-184-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(l) The sum of twelve million dollars (\$12,000,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(m) The sum of six million eight hundred forty-three thousand dollars (\$6,843,000) or whatever is the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the

amount appropriated for child care and development programs in Item 6110-196-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001), after making the reappropriation specified in Provision 6 of Item 6110-494 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(n) Notwithstanding Section 8278 of the Education Code, the sum of eighty-five million dollars (\$85,000,000) of the remaining unliquidated General Fund balance, as of the effective date of this section, of the amount appropriated in Item 6110-196-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(o) The sum of ten million sixty-eight thousand dollars (\$10,068,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-212-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000).

(p) The sum of six million three hundred seventy-seven thousand dollars (\$6,377,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-212-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(q) The sum of four million one hundred thousand dollars (\$4,100,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-240-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000).

(r) The sum of six million one hundred eighty-seven thousand dollars (\$6,187,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-240-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(s) The sum of six hundred three thousand dollars (\$603,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-243-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(t) The sum of nineteen million nine hundred seventy-six thousand dollars (\$19,976,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-295-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(u) The sum of thirty-one million seven hundred twenty-eight thousand dollars (\$31,728,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this

section, of the amount appropriated in paragraph 37 of Item 6110-485 of Section 2.00 of the Budget Act of 2001, as amended by Chapter 1 of the Statutes of 2002, Third Extraordinary Session.

(v) The sum of three million one hundred thousand dollars (\$3,100,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Schedule 39 of Item 6110-485 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(w) Notwithstanding Section 8278 of the Education Code, the sum of seventeen million six hundred fifty thousand dollars (\$17,650,000) of the remaining unliquidated General Fund balance, as of the effective date of this section, of the amount appropriated in Schedules (2)(e) and (2)(f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(x) The sum of six million two hundred thirty-one thousand dollars (\$6,231,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Chapter 795 of the Statutes of 1998.

(y) The sum of twenty-eight million dollars (\$28,000,000) of the balance in the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code.

(z) The sum of thirteen million five hundred thousand dollars (\$13,500,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Schedule 1 of Item 6360-101-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000).

(aa) The sum of two million nine hundred thousand dollars (\$2,900,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Schedule 1 of Item 6360-101-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(bb) The sum of twenty-four million three hundred fifty thousand dollars (\$24,350,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Schedule 1 of Item 6360-101-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(cc) The sum of one hundred seventy-eight thousand dollars (\$178,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Section 6 of Chapter 196 of the Statutes of 1996 for reading leadership training.

(dd) The sum of one hundred fifty-four thousand dollars (\$154,000) or the greater or lesser amount that reflects the unencumbered balance,

as of the effective date of this section, of the appropriation in Section 27 of Chapter 204 of the Statutes of 1996 for the Single Gender Academies Pilot Program.

(ee) The sum of five hundred ninety-seven thousand dollars (\$597,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Section 43 of Chapter 330 of the Statutes of 1998 for installation grants for the Digital High School Program.

(ff) The sum of five million four hundred six thousand dollars (\$5,406,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-191-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(gg) The sum of one hundred two thousand dollars (\$102,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-193-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(hh) The sum of two million one hundred fifty-three thousand dollars (\$2,153,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-112-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(ii) The sum of one million five hundred thousand dollars (\$1,500,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated in Item 6110-203-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(jj) The sum of eighty-three thousand dollars (\$83,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Section 41 of Chapter 299 of the Statutes of 1997, for implementation of the Standardized Accounting Code Structure.

(kk) The sum of one hundred forty-four thousand dollars (\$144,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Chapter 312 of the Statutes of 1998 for the purchase off standards-based instructional materials.

(ll) One million three hundred seventy thousand dollars (\$1,370,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Schedule A of Section 9 of Chapter 2 of the Statutes of 1999, First Extraordinary Session, for the Elementary School Intensive Reading Program.

(mm) The sum of three hundred ninety-seven thousand dollars (\$397,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Item 6110-234-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) for the Class Size Reduction Program, as reappropriated in Item 6110-487 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000).

(nn) The sum of sixty-one thousand dollars (\$61,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in subdivision (bb) of Section 65 of Chapter 78 of the Statutes of 1999 for schoolsite playground equipment.

(oo) The sum of two hundred forty-six thousand dollars (\$246,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in subdivision (a) of Section 52 of Chapter 330 of the Statutes of 1998 for mathematics staff development.

(pp) The sum of four million one hundred eighteen thousand dollars (\$4,118,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, from Item 6110-113-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(qq) The sum of four million eight hundred seventy-eight thousand dollars (\$4,878,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, from Item 6110-123-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(rr) The sum of sixty-nine million nine hundred thirteen thousand dollars (\$69,913,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Section 2 of Chapter 942 of the Statutes of 1998 for supplemental instruction.

(ss) The sum of one million two hundred sixty-nine thousand dollars (\$1,269,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the reappropriation in paragraph (6) of Item 6110-485 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(tt) The sum of two hundred two thousand dollars (\$202,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Section 4 of Chapter 196 of the Statutes of 1996 for the purchase of core reading program instructional materials.

(uu) The sum of two hundred seventy thousand dollars (\$270,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the appropriation in Section 2 of Chapter 3 of the Statutes of 1999, First Extraordinary Session, for the Public Schools Accountability Act.

(vv) One million three hundred seventy-one thousand dollars (\$1,371,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the reappropriation in subdivision (c) of Item 6110-485 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000).

(ww) The sum of one million six hundred thousand dollars (\$1,600,000) or the greater or lesser amount that reflects the unencumbered balance, as of the effective date of this section, of the amount appropriated to the State Department of Education for the English Language Intensive and Literacy Program in Section 37 of Chapter 71 of the Statutes of 2000.

SEC. 70. The amount reverted to the Proposition 98 Reversion Account pursuant to paragraphs (1) to (16), inclusive, of Item 6110-495 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) is the unencumbered balance, as of the effective date of this section, of the appropriations that were reverted in that item.

SEC. 71. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, 6110-204-0001, 6110-205-0001, and 6110-211-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000) shall be available for expenditure through July 31, 2003, and after that date, all remaining unencumbered funds in those items shall revert to the Proposition 98 Reversion Account.

SEC. 72. The sum of four hundred ninety-one million nine hundred twenty-six thousand dollars (\$491,926,000) is reappropriated from the Proposition 98 Reversion Account to the General Fund according to the following schedule:

(a) Three hundred fifty-six million eight hundred ten thousand dollars (\$356,810,000) to the Superintendent of Public Instruction for allocation for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code (Regional Occupational Centers and Programs), to be allocated as specified in the provisions contained in Item 6110-105-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(b) One hundred thirty-five million one hundred sixteen thousand dollars (\$135,116,000) to the Superintendent of Public Instruction for allocation for the purposes of Article 1 (commencing with Section 52500) of Chapter 10 of Part 28 of the Education Code (Adult

Education), to be allocated as specified in the provisions contained in Item 6110-156-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 73. Notwithstanding any other law, the sum of sixty million nine hundred thirty-six thousand dollars (\$60,936,000) of the amount appropriated for support of the University of California in Schedule 1 of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2002 shall revert to the General Fund in accordance with the following schedule:

(a) Two million five hundred thousand dollars (\$2,500,000) from public service programs.

(b) One million one hundred thousand dollars (\$1,100,000) from the K-12 Internet program.

(c) Four million dollars (\$4,000,000) from the AP Online program.

(d) Eight million dollars (\$8,000,000) from research programs, with savings from prior year savings, including savings from labor institutes, and the Mexico/UC program.

(e) Twenty million dollars (\$20,000,000) from academic and institutional support.

(f) Nineteen million dollars (\$19,000,000) from instruction.

(g) Six million three hundred thirty-six thousand dollars (\$6,336,000) from student services.

SEC. 74. Notwithstanding any other law, one million dollars (\$1,000,000) of the amount appropriated for support of the Hastings College of the Law in Item 6600-001-0001 of Section 2.00 of the Budget Act of 2002 shall revert to the General Fund.

SEC. 75. Notwithstanding any other law, fifty-nine million six hundred thirty-four thousand dollars (\$59,634,000) from the appropriation provided for support of the California State University in Schedule 1 of Item 6610-001-0001 of Section 2.00 of the Budget Act of 2002 shall revert to the General Fund.

SEC. 76. Notwithstanding any other law, the appropriation made for local assistance to the Board of Governors of the California Community Colleges in Item 6870-101-0001 of Section 2.00 of the Budget Act of 2002 is reduced by the following amounts, except as otherwise provided:

(a) The amount appropriated in Schedule 4 for the Partnership for Excellence is reduced by thirty-nine million eight hundred seventeen thousand dollars (\$39,817,000).

(b) The amount appropriated in Schedule 7 for teacher and reading development partnerships is reduced by two million seven hundred thirty-two thousand dollars (\$2,732,000).

(c) The amount appropriated in Schedule 18 for telecommunications and technology infrastructure is reduced by fourteen million eight hundred seventeen thousand dollars (\$14,817,000). The Chancellor of

the California Community Colleges shall reduce allocations to programs and projects funded by Schedule 18 based on his or her determination of the priority of need.

(d) The amount appropriated in Schedule 19 for the California Virtual University is reduced by two million nine hundred thousand dollars (\$2,900,000).

(e) The amount appropriated in Schedule 20 for instructional improvement, for transfer to the Community Colleges Fund for Instructional Improvements, is reduced by seven hundred fifty thousand dollars (\$750,000). The Chancellor of the California Community Colleges shall reduce allocations to programs and projects funded by Schedule 20 based on his or her determination of the priority of need.

(f) The amount appropriated in Schedule 22 for economic development is reduced by fourteen million nine hundred forty-five thousand dollars (\$14,945,000). Notwithstanding Section 2.00 of the Budget Act of 2002, the Chancellor of the California Community Colleges shall allocate this fourteen million nine hundred forty-five thousand dollars (\$14,945,000) reduction in the economic development program proportionately to all programs identified in Provision (23) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2002.

(g) The amount appropriated in Schedule 24 for scheduled maintenance/special repairs is reduced by thirty-one million seven hundred fifty-two thousand dollars (\$31,752,000).

(h) The amount appropriated in Schedule 25 for instructional equipment and library materials replacement is reduced by thirty-one million seven hundred fifty-one thousand dollars (\$31,751,000).

SEC. 77. The sum of fifty million nine hundred forty-three thousand dollars (\$50,943,000) is reappropriated from the Proposition 98 Reversion Account to the General Fund for the following purposes:

(a) Thirty-three million three hundred ten thousand dollars (\$33,310,000) to the California Community Colleges for the purpose of funding fiscal year 2002–03 costs for the Partnership for Excellence.

(b) Eight million eight hundred seventeen thousand dollars (\$8,817,000) to the California Community Colleges for the purpose of funding fiscal year 2002–03 costs for telecommunications and technology infrastructure.

(c) Eight million eight hundred sixteen thousand dollars (\$8,816,000) to the California Community Colleges for the purpose of funding fiscal year 2002–03 costs for the economic development program.

SEC. 78. Notwithstanding any other law, the balance, as of June 30, 2002, specified herein, of the appropriations provided for in the following citations shall revert to the Proposition 98 Reversion Account:

(a) Twenty-one million five hundred twenty-eight thousand dollars (\$21,528,000) or whatever lesser or greater amount reflects the surplus in property taxes from the estimate used to calculate apportionments for the Budget Act of 2001, as certified by the Department of Finance, from Schedule (1) 10.10.010-Apportionments of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001).

(b) Four million six hundred thousand dollars (\$4,600,000), or whatever greater or lesser amount that reflects the unencumbered balance from Schedule i of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000).

SEC. 79. Notwithstanding any other law, a total of one million one hundred forty-six thousand dollars (\$1,146,000) from the appropriations provided in the following citations shall revert to the balance in the General Fund:

(a) Three hundred ninety-six thousand dollars (\$396,000) from Schedule 2 of Item 6870-001-0001 of Section 2.00 of the Budget Act of 2002.

(b) Seven hundred fifty thousand dollars (\$750,000) from Schedule 1 of Item 6870-101-0909 of Section 2.00 of the Budget Act of 2002.

SEC. 80. Notwithstanding any other law, the amount appropriated in Schedule 1 of Item 6870-295-0001 of Section 2.00 of the Budget Act of 2002 is reduced by one million six hundred ninety thousand dollars (\$1,690,000).

SEC. 81. Notwithstanding any other law:

(a) The amount appropriated for support of the Student Aid Commission in Item 7980-001-0001 of Section 2.00 of the Budget Act of 2002 is reduced by six hundred eighty-two thousand dollars (\$682,000), of which the sum of four hundred thirty-two thousand dollars (\$432,000) is an adjustment to increase the amount from the Financial Aid Grants Program funded in Schedule 1 and the sum of two hundred fifty thousand dollars (\$250,000) is reduced from the reimbursements in Schedule 5. These sums shall revert to the General Fund.

(b) The Student Aid Commission is authorized to increase the amount of individual awards for students receiving Cal Grant A and Cal Grant B awards in the 2002–03 fiscal year to adjust for increases in student fees at the University of California and the California State University.

SEC. 82. (a) Notwithstanding any other law, forty million three hundred seventy-one thousand dollars (\$40,371,000) of the unliquidated federal fund balances appropriated in Item 6110-196-0890 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001) and allocated in Schedules (2)(e) and (2)(f) of Item 6110-196-0001 of Section 2.00 of the

Budget Act of 2001 (Ch. 106, Stats. 2001) is hereby reappropriated for encumbrance and expenditure until June 30, 2003, only for CalWORKs Stage 3 child care.

(b) Notwithstanding Provision 8(a) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002), sixteen million six thousand dollars (\$16,006,000) of the funds made available for purposes described in Provision 8(a) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) shall only be available for CalWORKs Stage 3 child care in the 2002–03 fiscal year.

(c) The sum of twenty-one million eight hundred ninety-two thousand dollars (\$21,892,000) is appropriated from the Federal Trust Fund to the State Department of Education on a one-time basis for the purposes of CalWORKs Stage 3 child care as follows:

(1) The sum of nineteen million four hundred twenty-five thousand dollars (\$19,425,000) shall be available from federal Child Care and Development Block Grant funds appropriated prior to the 2002 federal fiscal year.

(2) The sum of two million four hundred sixty-seven thousand dollars (\$2,467,000) shall be available from a one-time federal reallocation.

(d) Notwithstanding any other law, eighty-eight million two hundred sixty-nine thousand dollars (\$88,269,000) is reduced from the amount appropriated to the State Department of Education for CalWORKs Stage 3 child care in Schedule 2(f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 83. (a) The sum of three hundred seventy million two hundred sixty-three thousand dollars (\$370,263,000) is hereby appropriated from the General Fund to the State Department of Education for the 2003–04 fiscal year in accordance with the following schedule:

(1) The sum of five million seven hundred thirty-eight thousand dollars (\$5,738,000) for apprentice programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(2) The sum of eighty-three million fifty-six thousand dollars (\$83,056,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002). Of the amount appropriated in this paragraph, eighteen million eight hundred ninety-three thousand dollars (\$18,893,000) shall be expended consistent with Schedule 1 of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002), three million nine hundred twenty-three thousand dollars (\$3,923,000) shall be expended consistent with Schedule 3 of that item, and sixty million two hundred

forty thousand dollars (\$60,240,000) shall be expended consistent with Schedule 4 of that item.

(3) The sum of three million nine hundred fifty-eight thousand dollars (\$3,958,000) for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(4) The sum of forty million nine hundred twenty-five thousand dollars (\$40,925,000) for adult education to be expended consistent with the requirements specified in Schedule 1 of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(5) The sum of two hundred fourteen million one hundred three thousand dollars (\$214,103,000) for special education to be expended consistent with the requirements specified in Item 6110-161-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002). Of the amount appropriated in this paragraph, two hundred ten million two hundred seventy-one thousand dollars (\$210,271,000) shall be expended consistent with Schedule 1 of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) and three million eight hundred thirty-two thousand dollars (\$3,832,000) shall be expended consistent with Schedule 2 of that item.

(6) The sum of four million four hundred fifty-one thousand dollars (\$4,451,000) for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(7) The sum of three million six hundred twenty-one thousand dollars (\$3,621,000) for 7th and 8th Grade Math Academies to be expended consistent with the requirements specified in Item 6110-204-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(8) The sum of nine million seven hundred seventy-six thousand dollars (\$9,776,000) for reading programs in kindergarten and grades 1 to 4, inclusive, to be expended consistent with the requirements specified in Item 6110-205-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(9) The sum of four million six hundred thirty-five thousand dollars (\$4,635,000) for categorical programs for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(b) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by this section shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of

Section 41202 of the Education Code, for the 2003–04 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code for the 2003–04 fiscal year.

SEC. 84. (a) Not later than May 15, 2003, the Director of Finance, in consultation with the Chancellor of the California Community Colleges, shall determine the amount of the property tax shortfall for the California Community Colleges for the 2002–03 fiscal year. This amount shall be equal to the difference between the amount of the estimate of property tax receipts by community colleges as of January 10, 2003, and the actual property tax receipts of community colleges for the 2002–03 fiscal year as estimated when the determination required by this subdivision is made.

(b) If the amount of the property tax shortfall, as determined pursuant to subdivision (a), is less than thirty-eight million dollars (\$38,000,000), the Director of Finance may reduce the amount appropriated pursuant to schedule (4) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2002 by an amount not to exceed the difference between thirty-eight million dollars (\$38,000,000) and the amount of the property tax shortfall determined pursuant to subdivision (a).

SEC. 85. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the public school system is able to provide proper educational services for its pupils at the earliest possible time, it is necessary that this act take effect immediately.

